Michigan Association of Secondary School Principals

4/8/13

Michigan Merit Curriculum FACT SHEET

- Study after study—from the Cherry Commission report in 2004 to last month's Business Leaders for Michigan (BLM) review[i] —points to our state needing more college graduates in order to meet future economic demands.
- To achieve the BLM goal of 60% post-secondary degree attainment by 2025, schools must focus their efforts on preparing kids for post-secondary education and the Michigan Merit Curriculum (MMC) is the tool they need.
- The MMC is already giving schools the leverage needed to move Michigan toward this goal:
  - Since our state adopted the current graduation requirements in 2006, **graduation rates have increased by about 1%, while dropout rates are down over 4%.**[ii]
  - In real numbers, that means that in 2012, approximately **12,500 more students graduated and 69,300 fewer students dropped out!**
  - Since the state started giving the ACT test to every student in 2008, **scores have increased steadily each year,** as has the percentage of students graduating career and college ready. This includes marked gains among most minority students, particularly those who identify as African American and Hispanic.[iii]
  - ACT data also tell us what may seem self-evident: **students who take more rigorous coursework get better scores.**[iv]
- There is simply no truth to the argument that the MMC makes it too hard for students to take career and technical education (CTE) courses.
  - Data compiled by the Center for Education Performance Information (CEPI) shows that the change in **CTE enrollment from 2007-08 to 2010-11 increased** slightly from 7.53% of students enrolled in CTE courses in 2007 to 7.60% in 2010-11.[v,vi]
  - Further, programs in areas like finance, health science, information technology and engineering **(areas of high future job demand) have seen huge increases.**
- Michigan should continue down our current path of high expectations and improving performance. **Michigan schools need the MMC** to help them meet our state's future economic demands.

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[i] *Business Leaders' Insights: Michigan's Workforce Strengths and Challenges*, March 20, 2013, Business Leaders for Michigan

[ii] *Michigan Cohort Graduation and Dropout Reports*, 2007-08 – 2011-12, Center for Education Performance and Information, State of Michigan

[iii] *The Condition of College & Career Readiness in Michigan*, 2012, ACT

[iv] *College Readiness and the Impact of Course Rigor – ACT Profile Report: Michigan*, 2012, ACT

[v] *Unduplicated Career and Technical Education Basic Grant Student Enrollment*, 2007-08 – 2010-11, Michigan Department of Education Office of Career and Technical Education

[vi] *Public Student Counts*, 2007-08 – 2011-12 Pupil Headcount Data, Center for Education Performance and Information, State of Michigan

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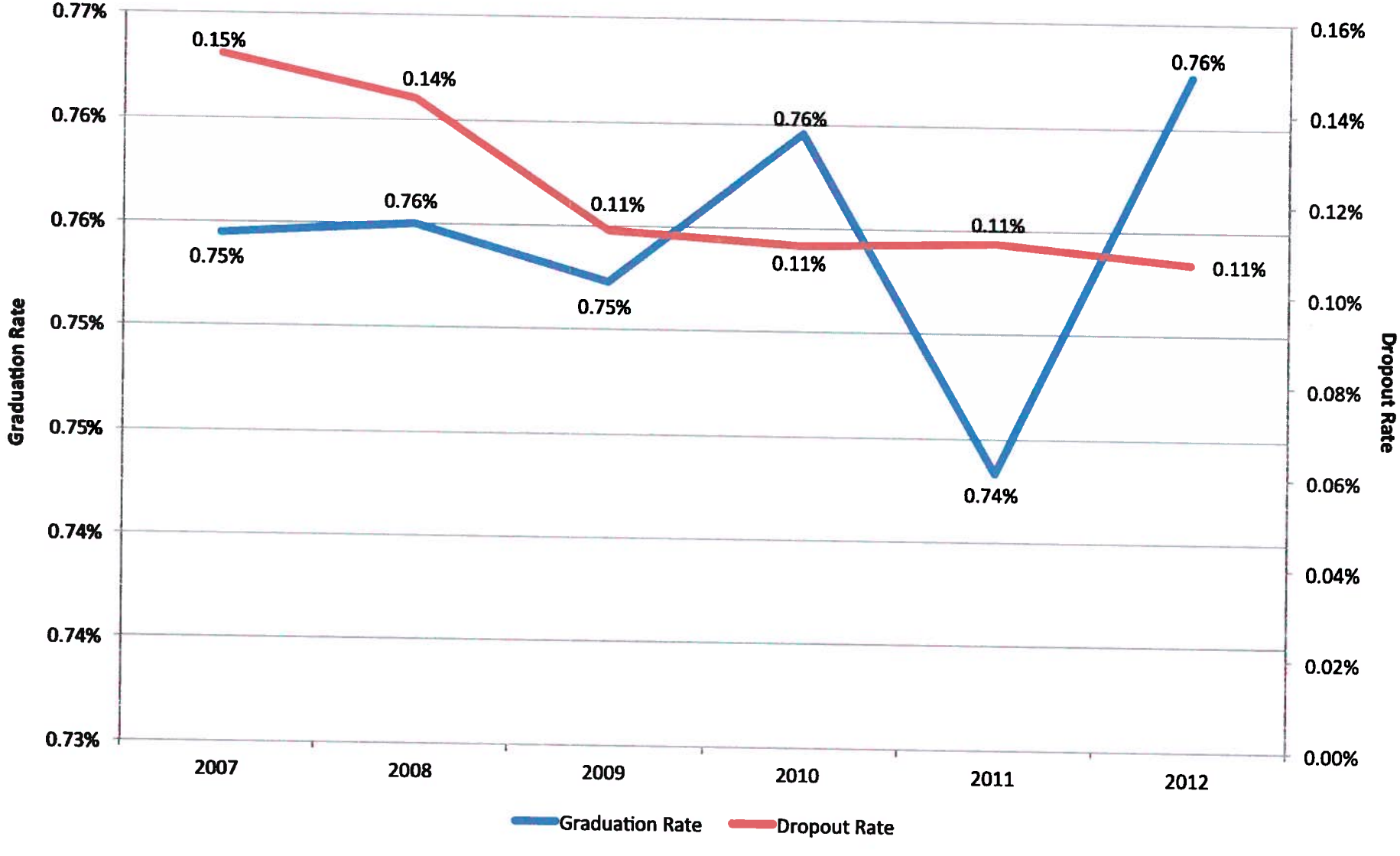
Michigan Cohort 4-Year Graduation & Dropout Rate 2007-2012



Michigan Association of Secondary School Principals

State of Michigan Cohort 4-Year Graduation and Dropout Rate[i]

2007-2012

District Name	Year	Subgroup	Cohort	On+Off-Track Graduated	Dropout (Reported & MER)	Off-Track Continuing	Other Completer (GED, etc.)	Graduation Rate	Dropout Rate
Statewide	2007	All Students	140,353	105,900	21,185	12,013	1,255	75.45%	15.09%
Statewide	2008	All Students	145,097	109,542	20,594	13,551	1,410	75.50%	14.19%
Statewide	2009	All Students	142,322	107,074	16,124	17,594	1,520	75.23%	11.33%
Statewide	2010	All Students	138,003	104,818	15,277	16,661	1,247	75.95%	11.07%
Statewide	2011	All Students	134,672	100,096	14,992	17,958	1,626	74.33%	11.13%
Statewide	2012	All Students	129,689	98,881	13,884	15,203	1,721	76.24%	10.71%

i. Michigan Cohort Graduation and Dropout Reports, 2007-08 – 2011-12, Center for Education Performance and Information, State of Michigan

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CTE Enrollment by Program Type

2007-08 to 2010-11

Program Name	2007-08	2008-09	2009-10	2010-11	Trend
Agriculture, Food & Natural Resources	7,278	7,169	7,129	7,245	↓
Architecture & Construction	14,618	15,664	13,596	12,358	↓
Arts, A/V Technology & Communication	6,221	6,071	6,541	6,530	↑
Business, Management & Administration	34,052	36,289	28,531	25,529	↓
Education & Training	413	479	607	554	↑
Finance	6,069	6,432	6,599	7,979	↑
Government & Public Administration	36	59	370	458	↑
Health Science	10,652	12,064	12,607	12,350	↑
Hospitality & Tourism	4,522	5,113	5,184	5,291	↑
Human Services	4,469	4,438	4,119	3,529	↓
Information Technology	3,237	4,221	6,014	6,235	↑
Law, Public Safety & Security	1,468	1,808	1,835	1,759	↑
Manufacturing	4,716	4,425	4,368	4,364	↓
Marketing, Sales and Service	17,549	16,851	15,941	15,123	↓
Sci., Tech, Engin. & Math.	8	118	218	324	↑
Transportation, Distribution & Logistics	8,628	9,205	9,164	8,955	↑
Total CTE Enrollment (Unduplicated)[i]	**123,936**	**130,406**	**122,823**	**118,583**	↓
Total Statewide Enrollment[ii]	1,645,742	1,612,425	1,591,280	1,560,165	↓
% of Students in CTE	**7.53%**	**8.09%**	**7.72%**	**7.60%**	↑

i. Unduplicated Career and Technical Education Basic Grant Student Enrollment, 2007-08 - 2010-11, Michigan Department of Education Office of Career and Technical Education

ii. Public Student Counts, 2007-08 - 2011-12 Pupil Headcount Data, Center for Education Performance and Information

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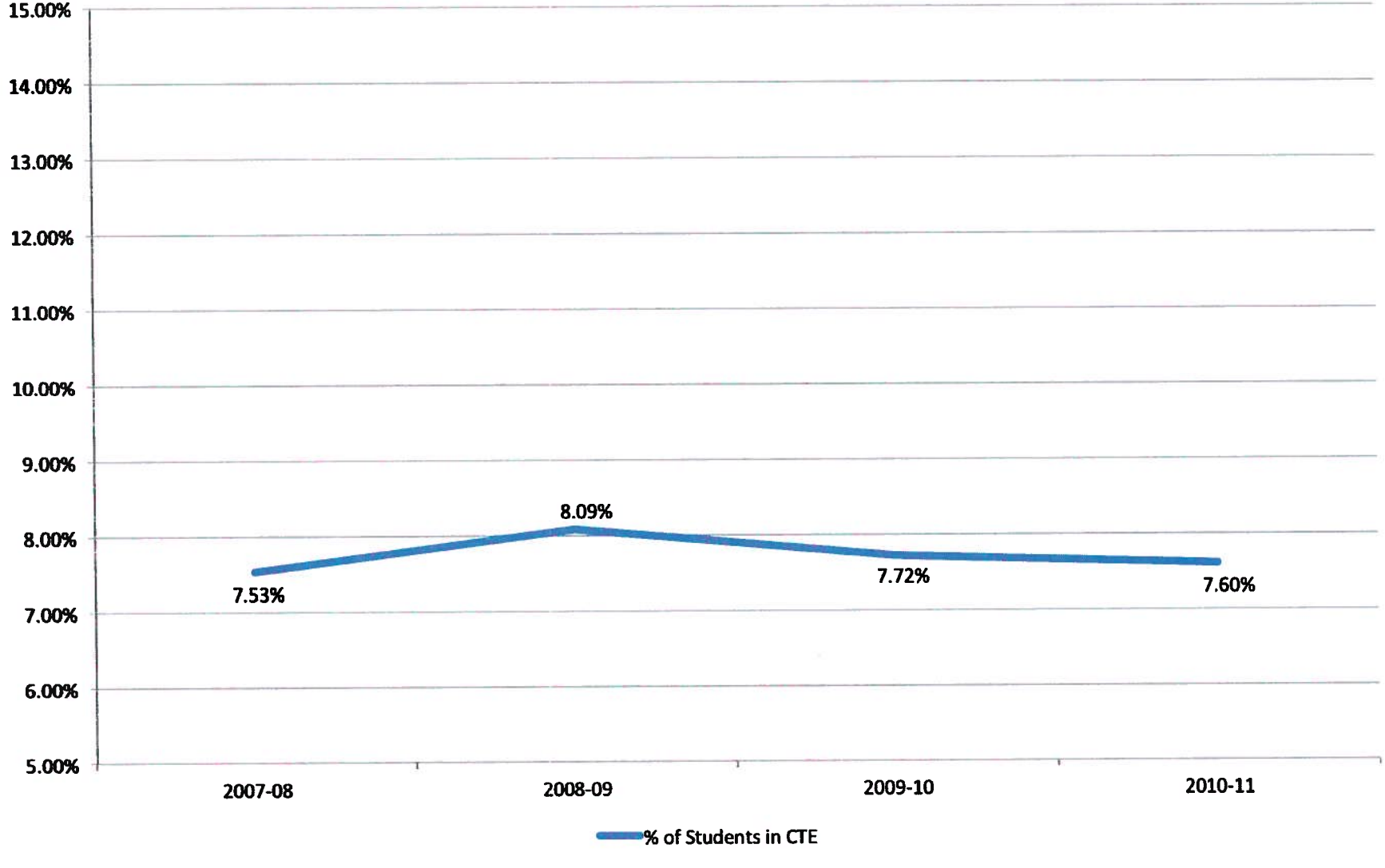
Percentage of Students in CTE

2007-08 to 2010-11



Is Manufacturing's Labor Shortage Mythical?

MIRS Capitol Capsule, Friday, November 16, 2012

(ANN ARBOR) -- You've heard it again and again: Michigan's got a talent shortage. Gov. Rick SNYDER did a special message on the need to grow it. Businesses complain they can't find qualified people. But the numbers disagree.

"As a matter of fact, I find it hard to remember another issue where the data seems to disagree so heartily with the perception," said George ERICKCEK, a senior regional analyst at the W.E. Upjohn Institute for Employment Research.

The business community, specifically manufacturing, has claimed a shortage. For instance, an Oct. 2011 Deloitte and the Manufacturing Institute survey found that 66 percent of surveyed manufacturers reported a moderate to severe shortage of available, qualified workers. In addition, many were worried about retirements, thinking their situation would worsen with the loss of older workers.

The numbers, however, tell a different story. If there were a severe labor mismatch, economists would expect to see increased wages. However, that's not been the case.

"There isn't any wage pressure," said Erickcek.

Geographically, there are areas with tight labor markets and severe education mismatches, but no Michigan cities are near the top of either list.

For production workers of all skill levels from 2007 to 2011 "wages have gone down, in real terms, in all of these areas," said Erickcek.

In addition, the argument that people would be retiring and creating some kind of cliff doesn't pan out.

Erickcek showed a chart of machinists, a typical manufacturing job. In fact, the data showed that the biggest group of machinists was between the ages of 45 and 54, and the second largest was people from 35 to 44. The group nearing retirement age was relatively small.

Machinists and production workers also stuck around longer than most types of workers.

"Even during the harshest time, you did not see machinists leaving the industry," said Erickcek, pointing toward the economic downturn.

He looked at other metrics to see if, for example, manufacturers had invested in different machinery that required workers with different skills. No dice, the investment dipped during the recession and then returned to normal levels.

Erickcek's best guess about what's happening? Manufacturers are being "a little bit picky."

"Maybe what they're doing is saying `yes it is a buyer's market, and we're going to be picky about who we're going to buy,'" said Erickcek.

What they're looking for are people who already know what to do, which they think should be easy with all the manufacturing employees that have been laid off.

"If you're able to find the person who can do the job on the ground running, you've saved yourself some expenses in trying to train this person to do the job," said Erickcek.

However, he said that companies may be underestimating the cost of filling a vacancy.

While Erickcek said the retirement cliff concerns were premature, he did say that it may be getting harder to recruit a young person into the field, just given the manufacturing sector's shaky employment record. The perception is that manufacturing career opportunities are going down or will fluctuate drastically.

"How do you sell this? That he or she should take on an occupation with such a horrible track record?" said Erickcek.

He said that was a policy issue people could be looking at. Because by 2020 or 2025, the concerns about a low qualified labor pool could be valid.

"We know how to do manufacturing, we do it well, we have a robust manufacturing base, and therefore we have to make sure that we have the workforce to make manufacturing continue," said Erickcek.

Michigan Workforce Trends & Profile

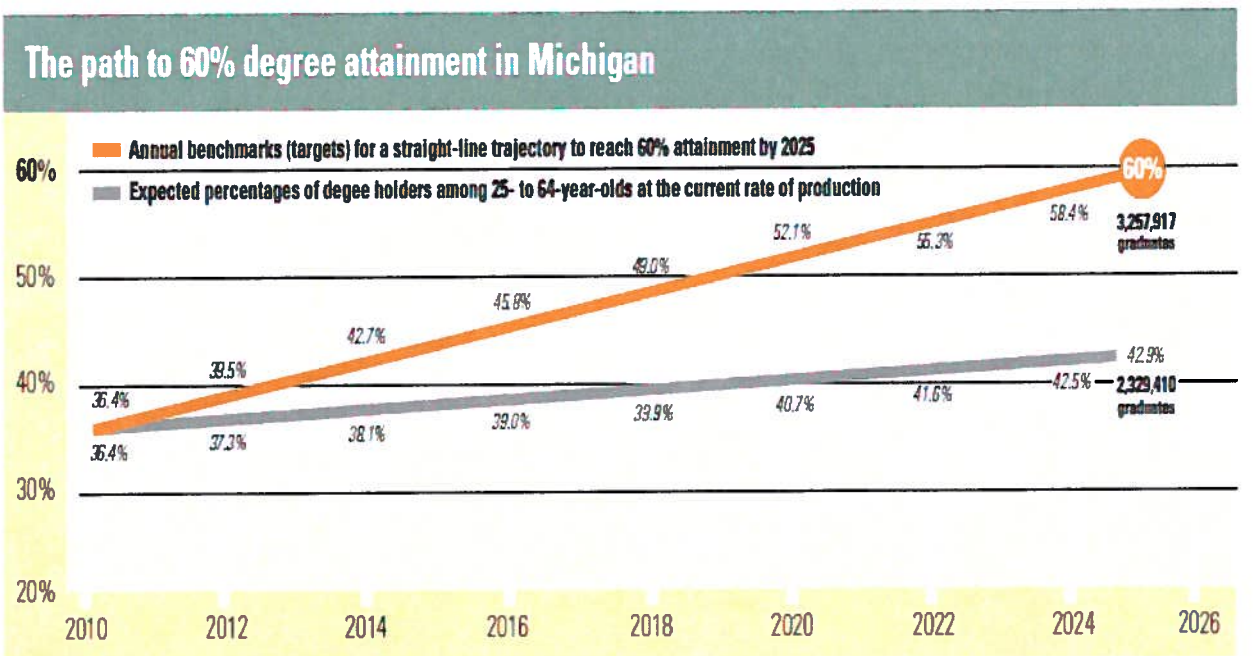
Michigan's economy is following national trends as it diversifies towards a knowledge-based economy. This change will require a more educated workforce to drive income and employment growth at a personal level, and economic growth for the state as a whole.

Michigan's economy reflects the national trend of an economy shifting rapidly to one based on knowledge and service industries.

- While manufacturing plays a larger role in Michigan than in the nation as a whole (about 16 percent of Michigan's GDP versus 12 percent for the nation's GDP, according to the Bureau of Economic Analysis),[ix] the economy has been diversifying for decades to reflect the growth of knowledge and service industries.

The result is that changes in the economy will require Michigan to produce 900,000 more college graduates by 2025 than is currently projected, according to a Lumina Foundation report.[x]

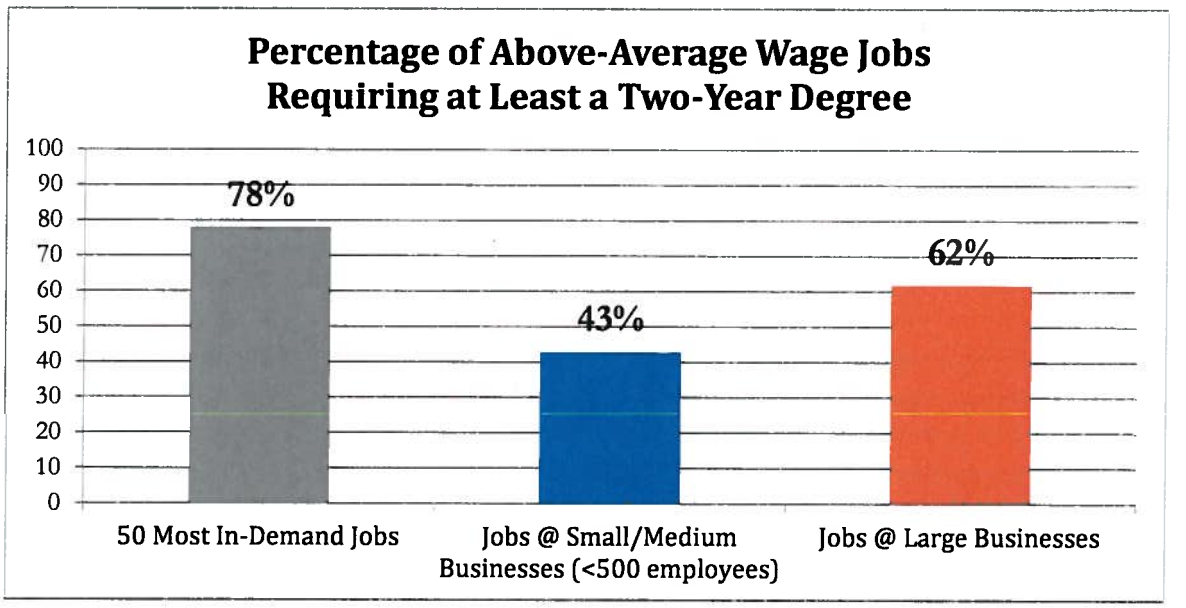
- *Help Wanted*,[xi] a report by the Georgetown University Center on Education and the Workforce, explains why increasing higher education attainment is so important. According to the Center's analysis of occupation data and workforce trends, 62 percent of Michigan's jobs will require postsecondary education by 2018. Between now and 2018, Michigan will need to fill 1.3 million vacancies resulting from job creation, worker retirements, and other factors. Of these job vacancies, 836,000 will require postsecondary credentials.
- This projection is recognized in the strategy Business Leaders for Michigan outlined, which identifies the six highest-potential opportunities to grow a New Michigan economy—all of which require more talent with some education beyond high school.
- Michigan could meet nearly all of its projected talent needs by increasing post-secondary degree attainment to 60 percent by 2025, according to the Lumina Foundation.[xii]



Source: U.S. Census Bureau, 2000 Census and 2010 American Community Survey

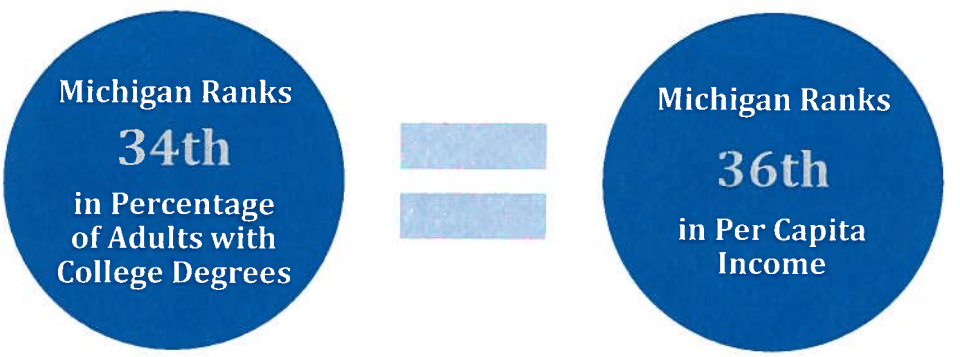
Most of Michigan's high demand, above average wage jobs today require at least a two-year degree.

- Nearly 80 percent of Michigan's 50 most in-demand jobs that pay above average wages require at least a two-year degree and two-thirds require at least a four-year degree, according to the Michigan Bureau of Labor Market Information (MBLMI).[xiii]
- Fifty-seven percent of above-average wage jobs filled by large businesses require a four-year degree, and 62 percent require at least a two-year degree, according to a survey of BLM members.
- Small and medium businesses report that 43 percent of their jobs require at least a two-year degree, according to Glengariff.



Michigan's relatively low education attainment levels correlate to below-average personal income.

- According to the BLM 2012 Benchmarking Report[xiv], Michigan ranks 34th in residents over age 25 with a four-year degree and 36th for per capita personal income



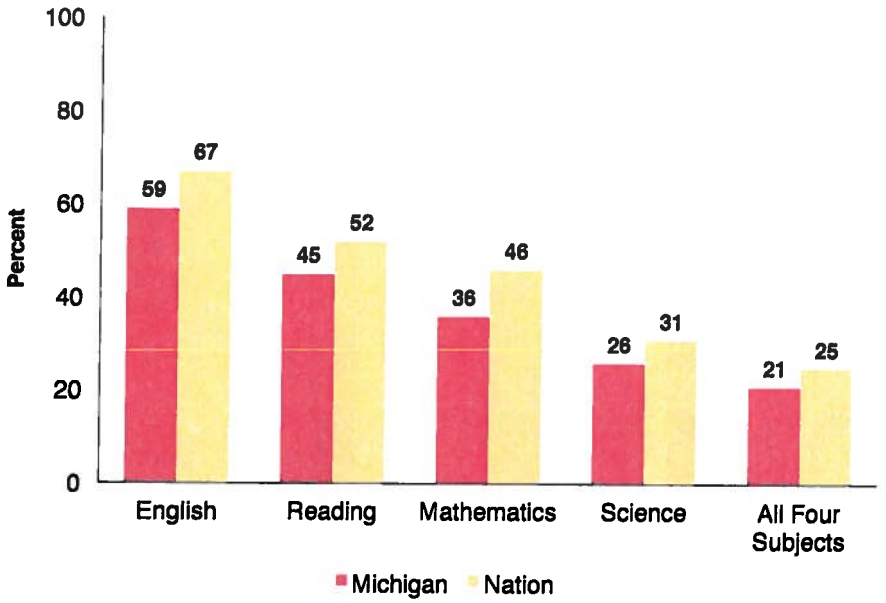
College & Career Readiness in

Michigan

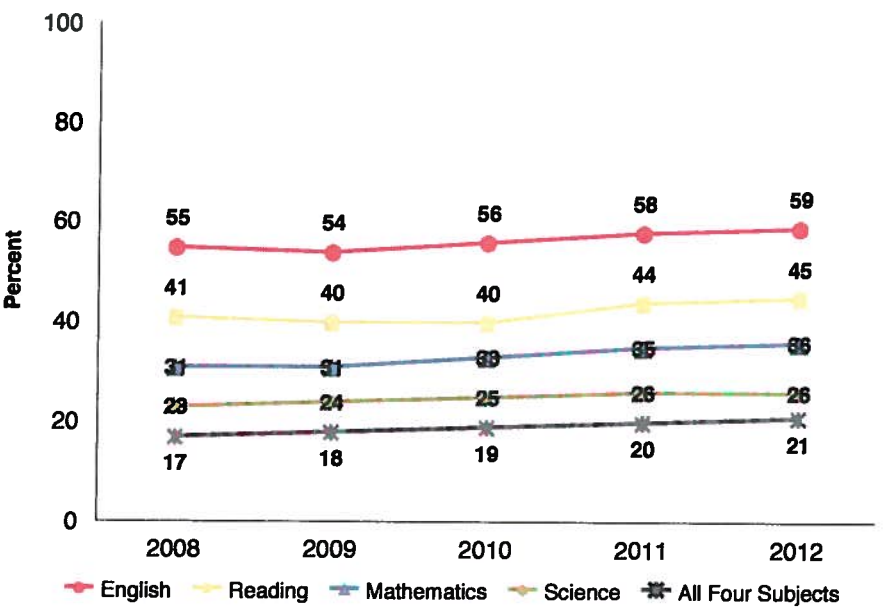
Attainment of College and Career Readiness

- 114,727 of your graduates, which is an estimated 100% of your graduating class, took the ACT.*
- From 2008–2012, the number of ACT test-taking graduates has decreased by 7.4%, while the number of graduates in your state has decreased by 9.5%.

Percent of 2012 ACT-Tested High School Graduates Meeting College Readiness Benchmarks by Subject



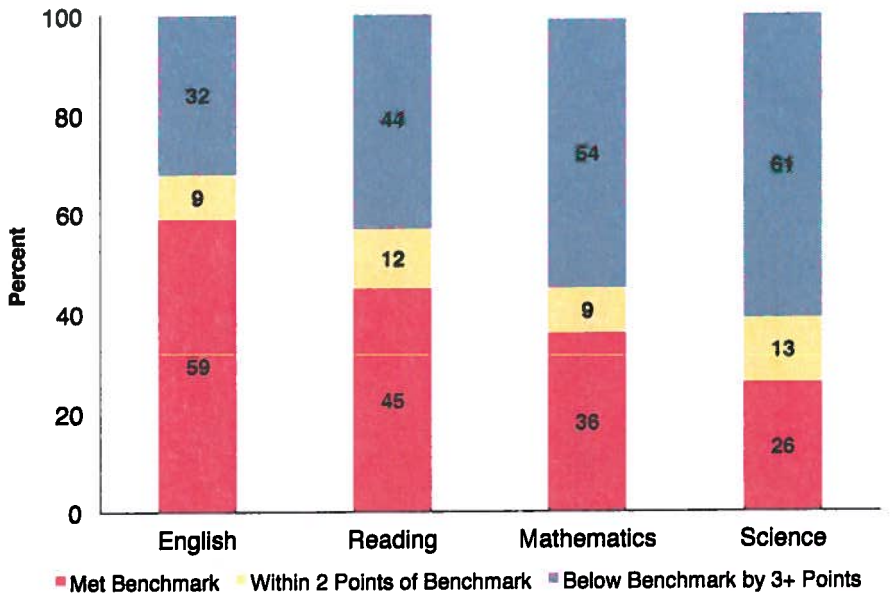
Percent of 2008–2012 ACT-Tested High School Graduates Meeting ACT College Readiness Benchmarks



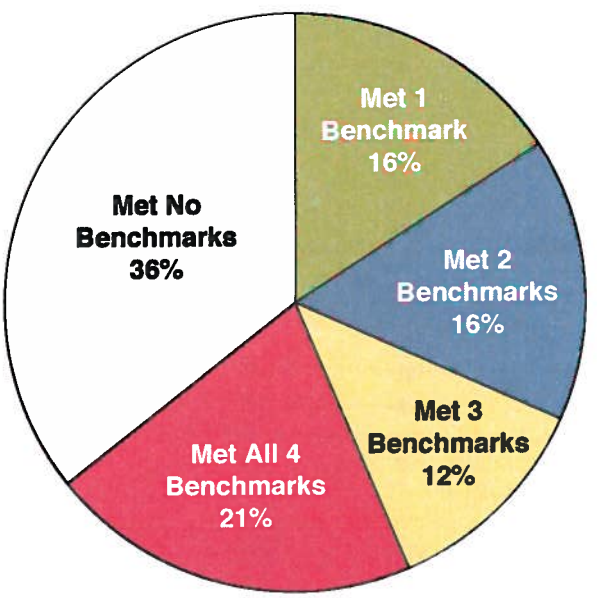
* Totals for graduating seniors were obtained from *Knocking at the College Door: Projections of High School Graduates by State and Race/Ethnicity, 1992 to 2022*, 7th edition. © March 2008 by the Western Interstate Commission for Higher Education.

Note: Percents in this report may not sum to 100% due to rounding.

Percent of 2012 ACT-Tested High School Graduates by Benchmark Attainment and Subject



Percent of 2012 ACT-Tested High School Graduates by Number of ACT College Readiness Benchmarks Attained



Near Attainment of College and Career Readiness

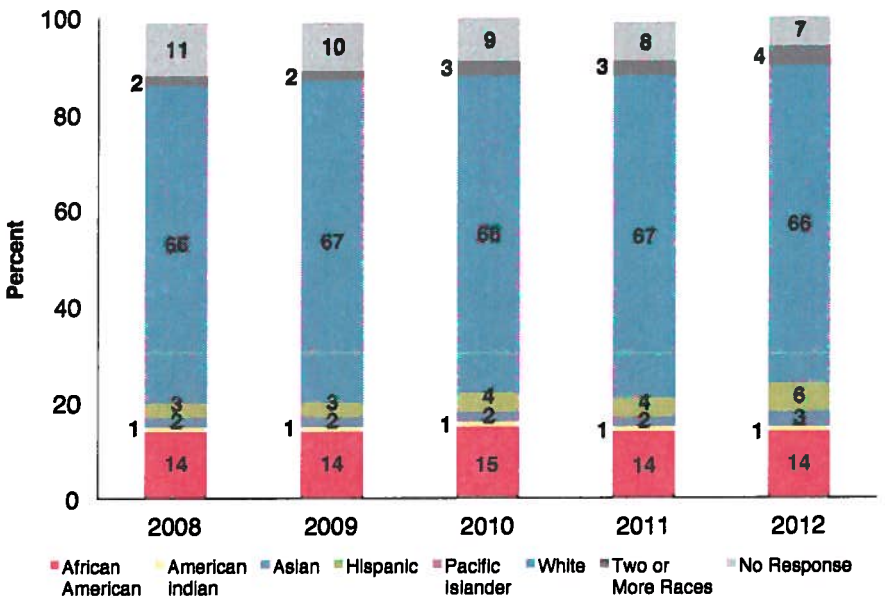
College & Career Readiness in

Michigan

Participation and Opportunity

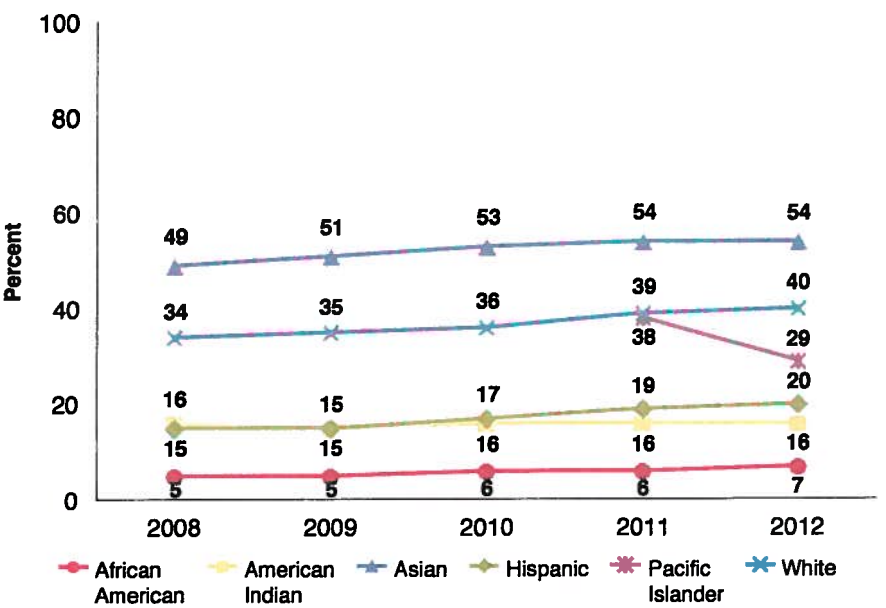
Over the past decade, ACT has experienced unprecedented growth in the number of students tested, as well as statewide partnerships in 12 different states and in many districts across the country. As a result, the 2012 *Condition of College & Career Readiness* report provides a much deeper and more representative sample in comparison to a purely self-selected college-going population.

Percent of 2008–2012 ACT-Tested High School Graduates by Race/Ethnicity*



Note: Less than 0.5% will not appear.

Percent of 2008–2012 ACT-Tested High School Graduates Meeting Three or More Benchmarks by Race/Ethnicity*



* Race/ethnicity categories changed in 2011 to reflect updated US Department of Education reporting requirements.[3]

College & Career Readiness in

Michigan

Course-Taking Patterns and Benchmark Performance

Within subjects, ACT has consistently found that students who take the recommended core curriculum are more likely to be ready for college or career than those who do not. A core curriculum is defined as four years of English and three years each of mathematics, social studies, and science.[4]

Percent of 2012 ACT-Tested High School Graduates in Core or More vs. Less Than Core Courses Meeting College Readiness Benchmarks by Subject